GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:1443
ANSWERED ON:25.07.2017
Rice Mills
Rajoria Dr. Manoj

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether rice mills across the country including Rajasthan are facing difficulties due to adequate credit and capital facility;

(b) if so, the details thereof and the response of the Government thereto;
(c) whether any funds have been released for resolving the problems of rice mills in the country during the current year; and

(d) if so, the details thereof, State-wise?

Answer

(a) & (b): No such instance has come to the notice of the Ministry of Food Processing Industries. The Government has been taking steps to increase flow of credit to Food Processing Industries including Rice Mills. A special fund of Rupees Two Thousand Crore has been created by NABARD for making available credit to designated Food Parks and the Food Processing units setup therein including Rice Mills. Food Processing has been notified as Agriculture activity for the purpose of priority sector lending for the Food and Agro based processing units / projects subject to aggregate sanctioning limit of Rs. 100 Crore per borrower. Moreover, with the objective of ensuring hassle −free credit to farmers, the Govt. of India has been fixing targets for flow of Credit to agriculture by banking sector every year. The target for Agriculture Credit fixed for 2017-18 is at Rs.10, 00,000 crores.

(c) & (d): For promotion of overall growth and development of all Food Processing Industries including rice Mills of the country, Ministry of Food Processing Industries had been implementing a Scheme namely Scheme for Technology Upgradation/ Establishment/ Modernization of Food Processing Industries up to 31.03.2012. Under this scheme, financial assistance in the form of grant-in-aid was being provided for Setting up/Technology Upgradation/Modernization of food processing units in the country. The quantum of financial assistance admissible for eligible entrepreneurs under the above scheme was at the rate of 25% of the cost of Plant & Machinery and Technical Civil Works subject to a maximum of Rs.50 lakhs in the case of General areas and for difficult areas, the same was at rate of 33.33% of the cost of Plant & Machinery and Technical Civil Works subject to a maximum of Rs.75 lakhs. The aforesaid scheme was subsequently subsumed in the Centrally Sponsored (CSS)-National Mission on Food Processing (NMFP) with effect from 01.04.2012 till 31.03.2015. Thereafter, the said scheme got delinked from Government of India's assistance and it was left to the State Governments to decide on its continuance from their increased resource as per recommendation of 14th Finance Commission. As a part of the Committed / Spillover liabilities of 11th Plan period during the 12th Plan period also, Ministry of Food Processing Industries has been releasing grant-in-aid to eligible entrepreneurs under the Scheme for Technology Upgradation/ Establishment/ Modernization of Food Processing Industries. As part of the committed liabilities of the 11th plan, grant-in-aid of Rs. 0.27 crore to three States has been released during the current years as under:

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No. Name of the State Total Sanctioned Cases Amount Released
(Rs.in crore)
1 Chhattisgarh 1 0.10
2 Karnataka 2 0.13
3 Punjab 1 0.04
Total 4 0.27